SENATE FISH A	ND GAME 2
EXHIBIT NO	2
DATE 2-	19-09
BILL NO. 53	425

Senate Bill 425 February 20, 2009 Presented by Chris Smith Senate Fish and Game Committee

Mr. Chairman and committee members, for the record I am Chris Smith, Deputy Director of Montana Department of Fish, Wildlife & Parks (FWP).

This committee is well aware of the conflict surrounding fish production and funding at the Ft. Peck Hatchery. Earlier this session, this committee considered several bills related to this topic. During those deliberations, FWP urged the committee to consider an alternative approach based on the outcome of discussions held among various user groups and input received in response to two proposed solutions.

To recap, briefly, following the debates on this subject last session, the department undertook a ten month long collaborative effort, bringing together conflicting interests in search for a winwin solution. We established a committee that included representation from Walleyes Unlimited, Walleyes Forever, Trout Unlimited, each of our Regional Citizens Advisory Committees, Mike Volesky of the Governor's office and Senators Tropila and Bales. The committee met three times, once at Ft Peck and twice in Lewistown. At the first meeting they identified 11 alternatives for funding the hatchery. Over the course of the next two meetings they whittled these down to two alternatives:

-Increasing the warmwater stamp by \$3 and making no changes to the statutes related to fish propagation at Ft Peck. The warm water stamp would be required of any resident or non-resident fishing in certain Montana waters.

-Increasing the fishing license by \$1-2, eliminating the warmwater stamp and integrating the Ft. Peck Hatchery into FWP's system of hatcheries. Raising warmwater fish to meet stocking requests would remain the top priority of the hatchery.

FWP issued a statewide press release describing these alternatives and seeking public input on them. Based on about 150 comments received, the second alternative was favored by a 15-1 margin. This alternative was also preferred by each of the CACs well as many other individual anglers and angling groups.

Governor Schweitzer's commitment not to raise any fees or taxes this session precluded FWP from proposing a bill that meets all the requirements of the second alternative. However during the hearing on SB 13, I suggested the committee consider a bill I was working on in consultation with Senator Bales, Senator Tropila, representatives from Walleyes Unlimited and Trout Unlimited that would implement as much of the second alternative as possible, given the constraints of raising fees.

When the committee tabled SB 13 and SB 14, efforts continued on refining the language, and SB 425 as introduced represents the language agreed upon a week or so ago. In the interest of full disclosure, let me say right up front that those discussions did not include a representative from Trout Unlimited. I own the responsibility for that oversight and apologize to Mr. Aagenes for not keeping him in the loop. My attention was focused on coming to terms on language related

to species propagation and warm water funding that would be acceptable to the interest groups that had brought SB 13 and 14. When Mr. Aagenes brought that oversight to my attention, I worked with him to explore potential amendments to SB 425 that would address Trout Unlimited's concerns. Unfortunately, those efforts did not bear fruit.

FWP believes SB 425 comes as close as possible to meeting what we believe to be the interests of the vast majority of the anglers in the state. As introduced, SB 425 would ensure that the hatchery continues to focus on maximizing warm water fish production, but would allow FWP sufficient flexibility to produce cold water species in the hatchery as long as that production does not reduce warm water species production. This would permit FWP to integrate this hatchery into the overall hatchery system and maximize efficiency of fish propagation across the entire system.

One of the proposed amendments would preclude raising any lake trout in the hatchery. FWP respectfully requests the committee reject that amendment for two reasons. First, if the purpose of the amendment is to preclude the introduction of lake trout into Ft. Peck, the amendment is irrelevant. FWP could produce lake trout at one of our other hatcheries for introduction to Ft. Peck. The question of whether or not to plant lake trout in Ft. Peck is a valid question, but one that should be answered through the management plan for Ft. Peck or separate legislation, not through SB 425.

Second, and more importantly, the Ft. Peck Hatchery offers the best conditions for the propagation of lake trout in Montana. There are 5 populations of native lake trout in the state, two of which might benefit from supplemental propagation in a hatchery. It makes no sense to FWP to eliminate the option of using the best and most efficient facility to propagate lake trout, if that is deemed necessary. Again, the question of whether or not to propagate lake trout or where they might be stocked should be answered outside the scope of SB 425.

The bill also lifts the constraints on funding and authorizes FWP to use warm water stamp, general license or federal funds for hatchery operations and maintenance. One of the proposed amendments clarifies the language in this regard and FWP has no objection to that amendment. Our intent would be to use the warm water funding first, but supplement that with federal matching funds or general license money, as needed. These changes would take effect immediately.

Finally, the bill repeals the warm water stamp, effective March 1, 2012, the beginning of a license year. That date was chosen to allow FWP time to assess options for funding not only the hatchery, but the agency overall and to consider adjustments that might be necessary in the 2011 legislative session. Although some have suggested this sets up the need for a fishing license fee increase next session, there are any number of things that will affect choices between now and then. For example, HB 585, if passed and approved would generate about \$500,000 in new license revenue; more than double the reduction due to eliminating the warm water stamp. We continue to pursue federal funding to support propagation of endangered species at Ft. Peck which might also offset the need for license funds, etc.

While SB 425 may not be perfect in anyone's eyes, it represents an important step forward from what has been an unproductive impasse to date. FWP encourages your support of SB 425.